

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Mark Acton, Vice Chairman; and
Robert G. Taub

Modification of Mail Classification Schedule
Regarding Restricted Delivery
and Pickup on Demand

Docket No. MC2014-44

ORDER CONCERNING MINOR CLASSIFICATION CHANGES RELATED TO
RESTRICTED DELIVERY AND PICKUP ON DEMAND SERVICES

(Issued October 6, 2014)

I. INTRODUCTION

On September 17, 2014, the Postal Service filed a notice pursuant to 39 C.F.R. §§ 3020.90 and 3020.91, concerning minor classification changes to the Mail Classification Schedule (MCS) related to Restricted Delivery and Pickup On Demand Services.¹ For the reasons stated below, the Commission approves the proposed changes.

¹ Notice of the United States Postal Service of Minor Classification Changes Related to Restricted Delivery and Pickup on Demand Services, September 17, 2014 (Notice).

II. PROPOSAL

The Postal Service proposes changes that will expand customer access to select services without modifying prices previously approved for those services by the Commission. Notice at 1, 2.

The Postal Service's first classification change offers to provide Restricted Delivery service with the purchase of the Signature Confirmation service. *Id.* at 1.² Participating customers would pay the fees associated with each service under MCS sections 1505.15.2 and 1505.17.2, respectively. *Id.* at 2. The second Postal Service classification change qualifies First-Class Package Service, First-Class Mail Parcels, Parcel Return Service, Media Mail/Library Mail, and Bound Printed Matter Parcels for Pickup On Demand service. *Id.*³

The Postal Service asserts both changes are minor in nature as they expand the services available to customers without affecting the previously approved rates and remain consistent with 39 U.S.C. §§ 3622, 3633, and 3642, and with rules 39 C.F.R. § 3020.90 *et seq.* Notice at 2.

On September 19, 2014, the Commission issued an order establishing the present docket, appointing a Public Representative, and providing interested persons with an opportunity to comment.⁴

III. COMMENTS

Comments were filed by the Public Representative on September 29, 2014.⁵ No other interested person submitted comments.

² Initially, the combined services would only be available when purchased using Click-N-Ship and PC Postage vendors.

³ Postal carriers will continue to pick up non-qualifying mailpieces, at no extra charge, so long as the customer has at least one qualifying postage-paid package. *Id.*

⁴ Order No. 2188, Notice and Order Concerning Minor Classification Change Regarding Restricted Delivery and Pickup On Demand, September 19, 2014.

⁵ Public Representative's Comments, September 29, 2014 (PR Comments).

The Public Representative's argument centers around the Postal Service's categorically labeling its classification changes as "minor." PR Comments at 3. Based on her review of 39 C.F.R. § 3020, subpart E, entitled, "Requests Initiated by the Postal Service to Change the Mail Classification Schedule,"⁶ the Public Representative emphasizes the danger of mislabeling non-typographical corrections as minor. Such practice would allow the Postal Service to submit minimal support for changes that are more significant than "minor editor[ial] corrections" and to take advantage of expedited Commission review. *Id.* at 4.

With regard to Pickup on Demand, the Public Representative views the proposed classification change as consistent with section 3642 and minor in nature. *Id.* at 12. However, with regard to Restricted Delivery and Signature Confirmation, she views the change as constituting more than a mere "correction" or editorial revision allowed under subpart E. At the same time, the Public Representative indicates that the change does not rise to the level of a major change to the product list. *Id.* at 10. This leads the Public Representative to conclude that it is in the best interests of the general public for the Commission to promulgate rules for addressing the Postal Service's classification change proposals that fall between "scrivener's errors" and the addition, removal, or transfer of products on the product list. *Id.* at 6.

IV. COMMISSION ANALYSIS

The Commission has reviewed the Notice, proposed classification changes (Attachment A), and comments filed by the Public Representative. The Commission finds that each of the Postal Service's proposed classification changes seek to expand access to and enhance services already provided, does not affect already approved rates, and do not impact statutory and regulatory compliance.

The Postal Service filed the proposed changes pursuant to 39 C.F.R. §§ 3020.90 and 3020.91, which require the Postal Service to submit corrections to the MCS to

⁶ 39 C.F.R. § 3020 – Product Lists, Subpart E, Requests Initiated by the Postal Service to Change the Mail Classification Schedule, Revised July 1, 2013.

assure that the product descriptions accurately represent current product and service offerings. Notices filed pursuant to these rules are appropriate when the proposed changes in the MCS are relatively minor in nature and do not entail modifying either the market dominant or the competitive product list. Provided the changes are not inconsistent with 39 U.S.C. § 3642 or subject to editorial corrections, the Commission will update the MCS to coincide with the effective date of the proposed change. 39 C.F.R. § 3020.93.

The Public Representative comments raise an important issue regarding the ambiguity of how to handle classification changes that fall between “a scrivener’s error and the addition, removal, or transfer of a product on the product list.”⁷ The Commission is cognizant of this issue and is exploring potential solutions.⁸

The Commission has previously allowed classification changes that expanded access to existing products and maintained pricing categories. In Docket No. MC2009-16, the Postal Service sought to extend Priority Mail International (PMI) service to additional destinations without changing existing rates or service attributes.⁹ The Commission concluded that filing such a classification change under 39 C.F.R. §§ 3020.90 and 3020.91 was reasonable and that the Postal Service was not required to demonstrate compliance with 39 U.S.C. § 3633.¹⁰

In Docket No. MC2014-30, the Postal Service sought to amend the MCS by providing Priority Mail Express Mail International (PMEI) service to fifteen additional countries, thereby changing the MCS to include new country group assignments.¹¹

⁷ Docket No. MC2011-28, Order No. 835 - Order Regarding Commercial First-Class Package Service, August 31, 2011, at 3.

⁸ For example, the Commission has previously stated that if circumstances warrant, it will consider “adding new regulations applicable to classification changes that rise above a level of ‘corrections’ to the MCS.” *Id.* at 8.

⁹ Docket No. MC2009-16, Order No. 205, Order Granting Reconsideration of Order No. 183, April 22, 2009.

¹⁰ *Id.*, Docket No. MC2014-30, Order 2127, Order Approving Minor Classification Change, July 18, 2014, at 3-4.

¹¹ Order No. 2127 at 4.

Even though the proposed changes had the potential of affecting the product's costs and revenues, the Commission found their inclusion in the assigned country groupings were unlikely to impact the product's continued compliance with 39 U.S.C. § 3633 and were minor in nature. The Commission further concluded that the proposed changes were not inconsistent with 39 U.S.C. § 3642.

The first of the Postal Service's proposals in the instant docket seeks to combine Restricted Delivery with Signature Confirmation thereby increasing customers' options by bringing together two pre-existing and individually priced services that previously could not be utilized together. The new combination does not affect either service's classification or rates previously approved by the Commission. Notice at 1. Customers will be required to pay the appropriate fees listed under each service's respective section, 1505.15.2 and 1505.17.2, of the MCS. Notice at 1-2. However, pursuant to 39 C.F.R. § 3020.93(a), the Commission makes an editorial correction to the proposed revisions to MCS section 1505.15.1(c) to remove incorporation by reference language.¹²

The Postal Service's second proposal also aims to further enhance an already existing product by expanding the list of qualifying mailpieces eligible for Pickup On Demand to include: First-Class Package Service, First-Class Mail Parcels, Parcel Return Service, Media Mail/Library Mail, and Bound Printed Matter Parcels. Notice at 2. The service itself will not change; there will just be more types of packages that qualify for it, thus increasing the opportunities customers have to use the service. *Id.* Postal carriers will continue to pick up non-qualifying mailpieces at no additional charge, so long as the customer has at least one qualifying postage-paid package. *Id.*

The Commission finds the aforementioned Postal Service proposals are unlikely to impact the services' continued compliance with 39 U.S.C. §§ 3622, 3633 and 3642.

¹² Notice, Attachment A at 4. Proposed Section 1505.15.1(c) references an availability time "as specified by the Postal Service." The Commission has stated that language in the MCS should adequately inform mailers about the Postal Service's programs. See, e.g., Docket No. R2011, Order No. 606, Order Approving Market Dominant Classification and Price Changes, and Applying Price Cap Rules, December 10, 2010, at 23. Including "as specified by the Postal Service" in the MCS would not inform mailers about the program as it would require the reader to consult another source to determine the important classification parameters of a product.

Accordingly, the Commission accepts the changes specified in the Notice and shall make conforming modifications to the draft MCS.

V. ORDERING PARAGRAPHS

It is ordered:

1. The proposed classification changes are in accordance with 39 C.F.R. § 3020.90 *et seq.*, and are not inconsistent with 39 U.S.C. § 3642.
2. Revisions to the Mail Classification Schedule appear below the signature of this Order and are effective immediately.

By the Commission.

Ruth Ann Abrams
Acting Secretary

CHANGES TO THE MAIL CLASSIFICATION SCHEDULE

The following material represents a change to the Mail Classification Schedule. The Commission uses two main conventions when making changes to the Mail Classification Schedule. New text is underlined. Deleted text is struck through.

Part A—Market Dominant Products

1100 First-Class Mail

1120 Parcels

1120.4 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

- Pickup On Demand Service

1120.5 Prices

Pickup On Demand Service

Add \$20.00 for each Pickup On Demand stop.

1400 Package Services

1420 Bound Printed Matter Parcels

1420.5 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

- Pickup On Demand Service

1420.6 Prices

Pickup On Demand Service

Add \$20.00 for each Pickup On Demand stop.

1425

Media Mail/Library Mail

1425.5

Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

- Pickup On Demand Service

1425.6

Prices

Pickup On Demand Service

Add \$20.00 for each Pickup On Demand stop.

1500

Special Services

1505

Ancillary Services

1505.15

Restricted Delivery

1505.15.1

Description

b. Restricted Delivery service is available with:

- First-Class Mail (when purchased at the time of mailing with Certified Mail, COD, Insured mail for more than \$200.00, ~~or~~ Registered Mail, or Signature Confirmation (Parcels Only));

- First-Class Package Service (when purchased at the time of mailing with Certified Mail, COD, Insured mail for more than \$200.00, ~~or~~ Registered Mail, or Signature Confirmation);
- Priority Mail (except Critical Mail) (when purchased at the time of mailing with Certified Mail, COD, Insured mail for more than \$200.00, ~~or~~ Registered Mail, or Signature Confirmation);
- Standard Mail and Parcel Select Lightweight (when purchased at the time of mailing with bulk insurance for more than \$200.00 and prepared as parcels);
- Standard Post (when purchased at the time of mailing with COD-~~or~~, Insured mail for more than \$200.00, or Signature Confirmation);
- Package Services (when purchased at the time of mailing with COD-~~or~~, Insured mail for more than \$200.00, or Signature Confirmation); and
- Parcel Select, except Parcel Select Lightweight (when purchased at the time of mailing with COD-~~or~~, Insured mail for more than \$200.00, or Signature Confirmation).

Part B—Competitive Products

2100**Domestic Products**

2120**Parcel Return Service**

2120.5

Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

- Pickup On Demand Service

2120.6

Prices

Pickup On Demand Service

Add \$20.00 for each Pickup On Demand stop.

2125 First-Class Package Service

2125.5 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

- Pickup On Demand Service

2125.6 Prices

Pickup On Demand Service

Add \$20.00 for each Pickup On Demand stop.

Part C—Glossary of Terms and Conditions

3017 P

Pickup On Demand Service

A service which allows customers to schedule pickup of specified postage-paid ~~Priority Mail Express, Global Express Guaranteed, Priority Mail, Outbound Single-Piece First-Class Package International Service, and Standard Post (including Priority Mail and Standard Post sent with USPS Tracking or Signature Confirmation)~~ mail items from a home or business. Pickups may be regularly scheduled by agreement or provided on request ~~call~~ through USPS.com ~~the internet or a toll-free number~~. The price is per trip, regardless of the number of items schedule for pickup.
